

## APPENDIX

### UNITED STATES DEPARTMENT OF JUSTICE

OFFICE OF THE DEPUTY ATTORNEY GENERAL

WASHINGTON, D.C.

August 7, 1961

Honorable Emanuel Celler  
Chairman  
House Committee on the Judiciary  
House of Representatives  
Washington, D.C.

Dear Mr. Chairman:

This is in reference to the enactments S. 1654, S. 1656, S. 1657, S. 1665 which have been ordered reported by Subcommittee No. Five to the full committee and S. 1655 which is still before Subcommittee No. Five.

The position of the Department with respect to the subject enactments is as follows:

#### S. 1665 OBSTRUCTION OF INVESTIGATIONS

When this proposal was being considered by the Senate Committee on the Judiciary, the Attorney General and I agreed to a proposed amendment which would limit the obstruction of investigations to those investigations conducted by the Department of Justice and the Department of the Treasury. The amendment, thus, limited the obstruction to those investigations most likely to involve organized crime and racketeering. While I appreciate the action of the Subcommittee in amending the proposal to re-

turn it to the form in which it was introduced, the Department has no objection at this time to limiting the reach of the statute to investigations conducted by the Department of Justice and the Department of the Treasury as proposed by the Senate Committee.

#### S. 1656 TRANSMISSION OF WAGERING INFORMATION

The Subcommittee has corrected a typographical error in the Senate version, which this Department favors.

#### S. 1653 INTERSTATE TRAVEL

The Subcommittee has combined Section 1 and 2 of the proposal as passed by the Senate enlarging the scope of the bill to include

“Whoever travels in interstate or foreign commerce or uses any facility in interstate or foreign commerce, including the mails. . .”

The Department does not object to this drafting change if the words “after such travel” are deleted from line 7, page 2. As the proposal now stands it proscribes the use of the mails for the stated purposes but requires further act “after such travel.” The failure to delete the words requires travel as well as the use of the mails or the use of any facility in interstate or foreign commerce. Deletion of the three words on line 7, page 2 will remove this anomaly from the proposal.

The Subcommittee further deleted clause 2 of subparagraph (b) dealing with extortion or bribery and defined unlawful activity as “any business enterprise involving . . . . extortion or bribery in connection with such offenses . . .” The effect of this deletion is to require proof that there was a continuous course of conduct involving extortion or bribery in connection with gambling, liquor, narcotics or prostitution. It eliminated from the purview of the bill extortions not related to the four above offenses but which are,

and have historically been, activities which involve organized crime. Such activities as the "shakedown racket," "shylocking" (where interest of 20% per week is charged and which is collected by means of force and violence, since in most states the loans are uncollectable in court) and labor extortion. It also removes from the purview of the bill the bribery of state, local and federal officials by the organized criminals. unless we can prove that the bribery is directly attributable to gambling, liquor, narcotics or prostitution.

The Department is strongly opposed to this amendment and recommends that the Committee accept and report the proposal with respect to extortion and bribery as submitted by the Department and as passed by the Senate.

The Subcommittee further deleted the limitation placed upon the type of liquor offenses within the purview of the bill by deleting the words "on which the Federal excise tax has been paid." The Department agreed to the addition of these words by the Senate Committee in order to avoid the problems about which you questioned the Attorney General on June 5, 1961. The amendment would make clear that minor violations involving liquor such as those of liquor retail store owners who remain open after hours in order to sell tax paid liquor [sic]. In view of our agreement with the Senate Committee I would have no objection to retaining the limitation contained in the Senate bill.

#### S. 1657 WAGERING PARAPHERNALIA

The amendment proposed by the Subcommittee exempts from the purview of the bill "any games sold for use in legally organized clubs, churches or other non-profit organizations." The bill as proposed by the Department and passed by the Senate pro-

hibits the transportation of paraphernalia used in bookmaking, wagering pools with respect to a sporting event, or in number, policy, bolita or similar games when those games are in violation of state law. Forty-nine states prohibit such activities and the Department is strongly opposed to an exemption which will permit paraphernalia used in those activities to be shipped in interstate or foreign commerce merely because they may be used in legally organized clubs, churches or non-profit organizations. In addition the loose phrasing of the amendment would permit any club, not organized contrary to law, to obtain the materials which we think must be banned from interstate commerce if organized gambling is to be destroyed. As the amendment reads it would apply to such organizations as manufacturers associations, labor organizations, as well as any so-called fraternal group or so-called church. In addition if games are not one of the three types of gambling games which are illegal under the law of forty-nine states the bill does not apply to such games. I wish to reiterate my strong opposition to the proposed amendment.

**S. 1655 IMMUNITY IN TAFT-HARTLEY AND HOBBS ACT VIOLATIONS**

It is my understanding that the sole reason for not reporting this enactment was a problem of the placement of the amending language in Section 3486 of Title 18. The Department has no objection to placing the amendatory language after the word "involving" as it first appears in subsection (c) of 3486, as suggested by Committee counsel.

Sincerely,

/s/ Byron R. White

Byron R. White

Deputy Attorney General

